

VZCZCXRO4955

PP RUEHBW RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR

DE RUEHUP #0485 1360954

ZNY CCCCC ZZH

P 150954Z MAY 08

FM AMEMBASSY BUDAPEST

TO RUEHC/SECSTATE WASHDC PRIORITY 2918

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L BUDAPEST 000485

SIPDIS

DEPARTMENT FOR EUR/NCE; PLEASE PASS TO NSC FOR ADAM STERLING

E.O. 12958: DECL: 05/13/2013

TAGS: [PGOV](#) [KDEM](#) [HU](#)

SUBJECT: DAY ONE: MINORITY GOVERNMENT WINS APPROVAL FOR GOVERNMENT RESTRUCTURING

REF: A) BUDAPEST 442 B) BUDAPEST 401

Classified By: P/E COUNSELOR ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

THE FIRST DAY OF THE REST OF HUNGARY'S LIFE?

**¶1.** (SBU) Marshaling a surprising majority, the Gyurcsany government secured Parliamentary approval for its government restructuring proposal (ref a) May 13.

**¶12.** (SBU) Confronting what many observers here cast as a crucial test of his ability to govern in the absence of a parliamentary majority, Prime Minister Gyurcsany lobbied the SzDSz caucus personally, securing ten votes from his former coalition partner to win by the comfortable margin of 200 )

**¶142.** (Note: Gyurcsany also cancelled his scheduled visit to Israel to remain in Budapest for debate on this issue and on health care, citing his "first responsibility to govern." End Note.) Although both MSzP and SzDSz officials had assured us previously that the issue had been agreed in advance (ref b), SzDSz spokesmen have emphasized that their support was based on the PM's commitment that the restructuring will not increase the cost of public administration.

**¶13.** (C) Commentary has focused less on the accord between the MSzP and the SzDSz than on the poor party discipline exhibited by the opposition. Twenty-five FIDESZ MPs were absent during the session (which came just after a three-day weekend), and parliamentary faction leader Tibor Navracsics has discussed fining members who missed the vote. FIDESZ MP Mihalj Balla expressed his own chagrin to us in private, mutely shaking his head at his colleagues' absence.

TALK IS CHEAP; SUPPORT ISN'T

**¶14.** (C) The vote paves the way for the formal implementation of Gyurcsany's proposal to revise the division of substantive responsibilities among the ministries. Central to his plan is a visible emphasis on development (ref a), although contacts across the spectrum have questioned the real impact of the reorganization. Political Scientist Zoltan Kisszelly, for example, characterizes the changes as the PM's effort to keep control of the MSzP, cautioning that none of the new members of the cabinet will be stalwarts on reform.

"Gyurcsany needs votes both in Parliament and within the party," he concludes, "and support doesn't come cheaply."

**¶15.** (C) MSzP MP and former Gyurcsany Chief of Staff Zoltan Gal encourages us to look beyond the cabinet appointments to the new faces at the secondary level of the bureaucracy. He believes the restructuring has been carefully orchestrated to marginalize elements unsympathetic to Gyurcsany and to replace them with local officials who will support his agenda. As Kisszelly observes, "it is easier for the Prime Minister to change his cabinet than it is for him to change his mind."

BULLETS DODGED AND OPPORTUNITIES MISSED

¶6. (C) Comment: Although the practical impact of the restructuring may be less than meets the eye, the political stakes were high for all parties. For the MSzP, stumbling out of the starting gate would have badly damaged the Prime Minister's evident intent to demonstrate his ability to govern without a parliamentary majority. Though the SzDSz will likely remain in what FIDESZ MP Zoltan Balogh called "semi-opposition" until its own party elections on June 7, many of its members did not want to oppose the government on the very first vote after the dissolution of the coalition. Although they will hold the government to its commitment regarding the cost of the restructuring, SzDSz MP Matyas Eorsi believes most of his colleagues will give the government the benefit of the doubt on most operational issues. As Balla tacitly admitted, FIDESZ may regret its inability to line up the votes it needed to close the gap. With so many of its MPs missing the vote, the opposition missed an opportunity to "prove" its public assertion that minority government cannot work. While that question will remain open, the minority government has survived day one.

End Comment.

Foley